



FISCAL MEMORANDUM

HB 1681 - SB 1770

January 31, 2022

SUMMARY OF BILL AS AMENDED (012583): Requires the Tennessee Board of Regents (TBR) to develop and administer a two-year pilot program beginning in academic year 2022-2023 for the purpose of awarding grants to students enrolled in non-credit workforce training programs, including pre-apprentice lineworker programs. Eligible institutions include any TBR community college or Tennessee College of Applied Technology (TCAT) that offers a program that leads to an industry-validated certification. Outlines specific qualifications for student grant eligibility. Requires TBR to establish the amount of a grant awarded. Requires TBR to collect and analyze certain data throughout the pilot program and submit the outcome of such data to the Education Committee of the Senate and to the Education Administration Committee and Education Instruction Committee of the House of Representatives no later than June 30, 2024.

FISCAL IMPACT OF BILL AS AMENDED:

**Increase State Expenditures - \$1,407,500/FY22-23/Tennessee Board of Regents
\$1,407,500/FY23-24/Tennessee Board of Regents**

Assumptions for the bill as amended:

- The majority of all non-credit workforce training programs are expected to be offered at a TCAT and not a community college, therefore the following estimates are based on programs offered at TCATs.
- Based on information provided by TBR in academic year 2020-2021, data on students enrolled in a non-credit workforce training program at a TCAT are as follows:
 - 5,814 students took a lineworker training class at an estimated cost of \$251 per student.
 - 2,725 students took various training programs at an estimated cost of \$454 per student.
- The total tuition cost for lineworker training programs for all TCATs was \$1,459,314 (\$251 cost x 5,814 students) in FY20-21.
- The total tuition cost for the other various training programs for all TCATs was \$1,237,150 (\$454 cost x 2,725 students) in FY20-21.
- The total tuition cost for all TCAT students enrolled in a non-credit workforce training program in academic year 2020-2021 is estimated to be \$2,696,464 (\$1,459,314 + \$1,237,150).

- Tuition and enrollment rates are expected to remain constant during the pilot program for all TCAT non-credit workforce training programs.
- Grants awarded will equal the cost of tuition.
- It is estimated that only half the number of the previously enrolled students would be eligible for a grant under the pilot program eligibility rules resulting in an increase in state expenditures of \$1,348,232 (\$2,696,464 / 2) in each FY22-23 and FY23-24.
- Currently, TBR does not have resources in place to operate a grant scholarship program and would need to hire an additional staff member for oversight, administration, and coordination with the individual TCATs, and to collect, analyze and compile the data for the required report.
- TBR will require one additional Grant & Scholarship Program Manager position beginning in FY22-23 and ending in FY23-24.
- There will be an increase in state expenditures of \$59,233 [(\$44,856 salary + \$14,377 benefits) x 1 Grant & Scholarship Program Manager position] in each FY22-23 and in FY23-24.
- The total increase to state expenditures for the pilot program is estimated to be \$1,407,465 (\$1,348,232 tuition grants + \$59,233 position cost) in each FY22-23 and in FY23-24.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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